

SEP 22 2010

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DATE OF HEARING:

10-7-10

Times: 10:00 **Dept.:** 5

19 Attorneys for Special Administrators
20 John Branca and John McClain

21 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
22 **FOR THE COUNTY OF LOS ANGELES**

23 In the Estate of

24 MICHAEL JOSEPH JACKSON,

25 Deceased

26 Case No. BP 117 321

Redacted

27 **SPECIAL ADMINISTRATORS' REPORT**
28 **RE MANAGEMENT OF THE MJJ**
BUSINESS, AND PETITION FOR
ALLOWANCE OF COMPENSATION TO
ATTORNEYS AND INSTRUCTIONS RE
CREDITORS' CLAIMS

[Probate Code § 12200 *et seq*]

[FILED CONDITIONALLY UNDER SEAL]

Date:
Time:
Dept:
Judge:

October 7, 2010

[REDACTED] 2010

10 00 a m

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Hon Mitchell L. Beckloff

CASH: 355.00
CHECK: 355.00
CARD: [REDACTED]
CHANGE: [REDACTED]

CIT/CASE: BP117321 LEA/DEF#:
RECEIPT #: FIN221183030
DATE PAID: 09/22/10 03:45:54 PM
PAYMENT: \$355.00
DELETED: 0310

SEP 22 2010

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Attorneys for Special Administrators,
John Branca and John McClain

DATE OF HEARING:
10-7-10
Times: 10:00 Dept.: 5

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

In the Estate of

MICHAEL JOSEPH JACKSON,

Deceased

Case No. BP 117 321

**NOTICE OF MOTION AND MOTION TO
FILE UNDER SEAL SPECIAL
ADMINISTRATORS' REPORT RE
MANAGEMENT OF THE MJJ BUSINESS
AND PETITION FOR ALLOWANCE OF
COMPENSATION TO ATTORNEYS AND
INSTRUCTIONS RE CREDITORS'
CLAIMS**

**MEMORANDUM OF POINTS AND
AUTHORITIES;**

DECLARATION OF JERYLL COHEN

Date:
Time:
Dept.: 5
Judge: Hon. Mitchell L. Beckloff

CIT/CASE: BP117321 LEA/DEF#:
RECEIPT #: FINE21183031
DATE PAID: 09/22/10 03:45:53 PM
PAYMENT: \$40.00
RECEIVED:
CHECK: 0.00
CASH:
CHANGE:
CARD:

MOTION TO SEAL STATUS REPORT AND PETITION

BP 117 321

1 **TO ALL INTERESTED PARTIES AND TO THEIR RESPECTIVE ATTORNEYS OF**
2 **RECORD:**

3 YOU ARE HEREBY NOTIFIED THAT on _____, 2010 at
4 _____, in Department 5 of this Court located at 111 North Hill Street, Los Angeles,
5 California 90012, John Branca and John McClain, the Special Administrators (the "Special
6 Administrators") of the Estate of Michael Joseph Jackson (the "Estate"), by and through their
7 attorneys of record, shall move the Court for an Order pursuant to Rules 2 550 and 2 551 of the
8 California Rules of Court to allow the filing under seal of certain information and records of
9 these proceedings that have been or will be lodged or filed conditionally under seal in connection
10 with Messrs Branca and McClain's Report re Management of the MJJ Business and Petition for
11 Allowance of Compensation to Attorneys and Instructions re Creditors' Claim (the "Status
12 Report and Petition") Such documents and information relate to the Estate's trade secret and
13 proprietary information The Special Administrators, the Estate and the beneficiaries have
14 privacy rights with respect to keeping these documents and information private

15 This Motion does not ask the Court for leave to file the entire Status Report and
16 Petition under seal Instead, Messrs Branca and McClain request only that certain sensitive
17 information contained in the Status Report and Petition and submitted in support of the Status
18 Report and Petition be redacted and sealed Thus, the public will have access to the Status
19 Report and Petition and supporting documents in redacted form

20 This Motion is made on the grounds that a sealing order is required under
21 California Rule of Court 2 550(d) because the facts establish

- 22 1 There exists an overriding interest that overcomes the right of public
23 access to the records,
24 2 The overriding interest supports sealing the records,
25 3 A substantial probability exists that the overriding interest will be
26 prejudiced if the records are not sealed,
27 4 The proposed sealing is narrowly tailored, and
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5 No less restrictive means exist to achieve the overriding interest

This Motion is based on this Notice of Motion, the attached Memorandum of Points and Authorities and Declaration of Jeryll S Cohen in support of this Motion, as well as all papers, pleadings and documents on file in this case, and on such oral testimony as may be offered at the time of the hearing on this Motion

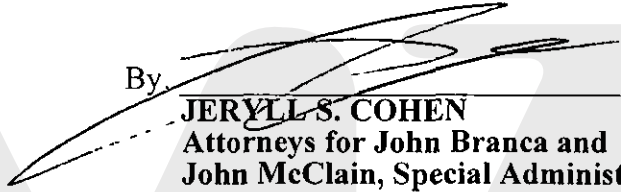
Dated September 22, 2010

Respectfully submitted,

**HOFFMAN, SABBAN & WATENMAKER
A Professional Corporation**

**KINSELLA WEITZMAN ISER KUMP
& ALDISERT LLP**

By



JERYLL S. COHEN
Attorneys for John Branca and
John McClain, Special Administrators of the
Estate of Michael Joseph Jackson

HOFFMAN
SABBAN &
WATENMAKER

1 MEMORANDUM OF POINTS AND AUTHORITIES

2 I. INTRODUCTION

3 By this Motion, John Branca and John McClain, as the Special Administrators of
4 the Estate of Michael Joseph Jackson, respectfully request that the Court allow them to file under
5 seal certain information lodged or filed in support of their Report re Management of the MJJ
6 Business and Petition for Allowance of Compensation to Attorneys and Instructions re Creditors'
7 Claim (the "Status Report and Petition")

8 The Status Report and Petition updates the Court on the status of the Special
9 Administrators' management of the MJJ Business, as ordered by the Court on February 3, 2010
10 The Status Report and Petition further includes a request for instructions regarding certain
11 creditors' claims and for allowance of compensation to the Special Administrators' attorneys
12 The information to be sealed includes information about the MJJ Business, financial information
13 relating to the Estate, including advances received, gross and net profits generated and expenses
14 and costs absorbed by the Estate, and detailed descriptions of the legal services rendered to the
15 Special Administrators by their legal counsel. The information to be sealed constitutes
16 confidential trade secrets and proprietary information in that it reveals negotiating strategy and
17 business plans and objectives. In some instances, the information to be sealed is subject to a
18 prior Court sealing order and/or a confidentiality agreement with a third party. (The information
19 to be sealed is collectively referred to as the "Confidential Information.")

20 Messrs. Branca and McClain seek to file the Confidential Information under seal
21 because, in some instances, they are contractually bound to do so. In addition, the Estate has an
22 overriding interest in maintaining the confidentiality of and sealing the Confidential Information
23 to avoid disclosing confidential and proprietary information that, if made public, could have a
24 detrimental impact on the Estate (such as, for example, strategy or analysis relating to pending or
25 contemplated litigation, defenses and legal arguments) or the Estate's negotiating position
26 vis-a-vis other parties. Further, with respect to Confidential Information that is subject to a prior
27 Court sealing order, the Rules of Court require the Special Administrators to seek this Court

1 order See Cal R Ct 2 551(e)(4) (“Unless the sealing order provides otherwise, it prohibits the
2 parties from disclosing the contents of any materials that have been sealed in any subsequently
3 filed records or papers ”)

4 Messrs Branca and McClain therefore request that the Court order, pursuant to
5 California Rules of Court 2 550 and 2 551, that they may file under seal the Confidential
6 Information contained in the Status Report and Petition and the pleadings that have been or will
7 be lodged or filed conditionally under seal in support of the Status Report and Petition, including
8 the declarations set forth in Paragraph 2 of the attached Declaration of Jeryll S Cohen (“Cohen
9 Decl ”) in support of this Motion

10 II. BACKGROUND

11 Michael Jackson died testate on June, 25, 2009, in the County of
12 Los Angeles, survived by his three minor children (the “Minor Children”) Katherine Esther
13 Jackson, Michael Jackson’s mother, is the Guardian of the Persons of the Minor Children.
14 Margaret G Lodise is the Guardian *ad litem* of the Minor Children On August 3, 2009, this
15 Court admitted to Probate the Last Will of Michael Joseph Jackson dated July 7, 2002 Messrs
16 Branca and McClain are the Special Administrators (jointly, the “Special Administrators”) of the
17 Estate ¹

18 On September 22, 2010, the Special Administrators filed conditionally under seal
19 the Status Report and Petition, which reports on the Special Administrators’ management of the
20 MJJ Business and requests instructions regarding certain creditors’ claims and an allowance of
21 compensation to the Special Administrators’ attorneys For the Court’s information, the Special
22 Administrators lodged a financial report and will lodge declarations supporting the portion of the
23 Status Report and Petition seeking approval of attorneys’ compensation, and may be lodging or
24 filing other documents and records conditionally under seal in support of the Status Report and
25

26
27 ¹ The Order appointing Messrs Branca and McClain as the Executors under the
28 Will of Michael Joseph Jackson is currently subject to an appeal filed by Joseph Jackson,
Michael Jackson’s father

1 Petition These documents contain information that is subject to prior sealing orders by this
2 Court information that is subject to confidentiality agreements with third parties, and/or critical
3 information, the confidentiality of which is essential to the conduct of the Estate's business and
4 legal affairs

5 **III. LEGAL ARGUMENT**

6 **THE COURT SHOULD ALLOW MR. BRANCA AND MR. McCLAIN TO FILE**
7 **THE CONFIDENTIAL INFORMATION UNDER SEAL.**

8 Although the Special Administrators are required by Court order to disclose
9 detailed information to the Court regarding their management of the MJJ Business, and required
10 by law to disclose detailed information to the Court regarding the services of their attorneys in
11 order to obtain authorization for payment of such services, the public is not entitled to this
12 information under the standards set forth in Rule 2 550 of the California Rules of Court
13 Pursuant to California Rule of Court 2 550(d), which is based on the standards enunciated by the
14 California Supreme Court in *NBC Subsidiary (KNBC-TV) Inc v Superior Court*, 20 Cal 4th
15 1178 (1999), a court may seal the record "if it expressly finds facts that establish

- 16 (1) There exists an overriding interest that overcomes the right of
17 public access to the record,
18 (2) The overriding interest supports sealing the record,
19 (3) A substantial probability exists that the overriding interest will be
20 prejudiced if the record is not sealed,
21 (4) The proposed sealing is narrowly tailored; and
22 (5) No less restrictive means exist to achieve the overriding interest "
- 23 Cal R Ct 2 550(d), *see* Advisory Comm Comment to Cal R Court 2 550 ("Courts have found
24 that, under appropriate circumstances, various statutory privileges, **trade secrets**, and privacy
25 interests, when properly asserted and not waived, may constitute 'overriding interests '" (emphasis
26 added))

27 All five factors are present here

28

1 A. The Estate Has Overriding Interests That Overcome the Right of Public
2 Access.

3 The Estate has multiple overriding interests that overcome the public's general
4 right of access. See Cal R Ct 2 550(d)(1). The Estate has an overriding interest in its right to
5 privacy guaranteed by the California Constitution. See Cal Const, Art I, § 1 ("All people are by
6 nature free and independent and have inalienable rights. Among these are pursuing and
7 obtaining safety, happiness and privacy.") Furthermore, the Estate has an overriding interest in
8 the protection of its trade secrets, the protection of privileged information, and enforcing and
9 adhering to binding contractual obligations not to disclose. See Cal Evid Code § 1060 *et seq*
10 (providing protection from disclosure for "trade secrets" and proprietary information), *NBC*
11 *Subsidiary*, 20 Cal 4th at 1222 n 46 (noting protection of trade secrets, protection of privileged
12 information, and enforcement of binding contractual obligations not to disclose have been
13 recognized as overriding interests that support restricting public access). These overriding
14 interests overcome the public's right to access to Confidential Information contained in the
15 Status Report and Petition and supporting documents.

16 1 The Estate Is Entitled to Maintain the Confidentiality of Its Trade Secrets

17 By statute, a "trade secret" is defined as "information" that (1) "[d]erives
18 independent economic value, actual or potential, from not being generally known to the public or
19 to other persons who can obtain economic value from its disclosure or use" and (2) "[i]s the
20 subject of efforts that are reasonable under the circumstances to maintain its secrecy." Cal Civ
21 Code § 3426 1(d). Here, the Confidential Information directly or indirectly reveals trade secrets
22 that the Estate has an overriding interest in protecting from disclosure.

23 The Confidential Information contains proprietary and competitive information,
24 the disclosure of which would be harmful to the Estate (as well as to other parties with whom the
25 Estate has business dealings or relationships) with respect to negotiation of future transactions,
26 engagement in business dealings and defending itself in litigation. Knowledge of competitive
27 information would allow others to leverage that information in future negotiations in business.

1 dealings and in litigation. The Special Administrators have lodged or filed conditionally under
2 seal documents containing Confidential Information to protect the overriding privacy interests
3 that support sealing those documents. Disclosure of the Estate's trade secrets (*i e*, its negotiating
4 strategy, its business plans and objectives, the material terms of its agreements, and its litigation
5 strategy) would damage its negotiating ability in future business dealings with third parties,
6 including litigation and its ability to defend itself against claims.

7 For example, assume it is revealed to the public that the Estate entered into an
8 agreement with the Widget Corporation for a license to produce Michael Jackson widgets for "x"
9 dollars, with an advance of "y" dollars," for a term of "z" years, limited to the United States
10 territory. Several years later, the Estate begins negotiations for a similar license with the Gadget
11 Corporation. The Gadget Corporation knows all of the terms of the license agreement the Estate
12 entered into with the Widget Corporation because those terms were made public. With this
13 knowledge, the Gadget Corporation would have a superior bargaining position to the Estate
14 because it knows the terms that the Estate accepted in the Widget Corporation agreement. The
15 Gadget Corporation would use the "x" and "y" figures used in the Widget Corporation deal as the
16 ceiling for the amount that it would be willing to spend to obtain a similar license from the
17 Estate, and it would use the "z" number of years as a floor from which to negotiate the term of
18 the contract, all to the Estate's detriment. The Estate would thereby be put at a disadvantage in
19 relation to its competitors.

20 In addition, if material, negotiable terms of third parties' contracts with the Estate
21 are made public by the Court, third parties will be deterred from contracting with the Estate
22 and/or from offering the Estate the terms they may otherwise have been willing to offer if the
23 Confidential Information were kept private.

24 For example, the Widget Corporation's trade secrets (*i e*, its negotiating position,
25 what it is willing to pay for a particular right or product and the terms it is willing to give under
26 such arrangement) would be known to its potential contracting parties and its competitors, as
27 well as its current business partners. Competitors would therefore have the knowledge and
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1 opportunity to adjust their proposals and negotiations with the Widget Corporation's current and
2 potential future business partners to improve their bargaining position and possibly take business
3 away from the Widget Corporation. Existing business partners could become disgruntled if their
4 terms are less favorable than those of the Estate. For these reasons, if the Estate were unable to
5 obtain an order sealing the Confidential Information, potential parties to agreements could well
6 determine that it would be economically risky – or even detrimental – to enter into negotiations
7 with the Estate. Such an outcome would have a significant chilling effect on the Estate's ability
8 to negotiate favorable terms for the Estate in a wide range of transactions.

9 In summary, filing documents containing Confidential Information in the public
10 record would effectively disclose the Estate's trade secrets relating to proprietary and competitive
11 information, which would be harmful to the Estate with respect to negotiation of future
12 transactions. Not only would third parties have an unfair competitive advantage over the Estate
13 in future business dealings, but also potential parties would be deterred from contracting with the
14 Estate. Sealing the Court record with respect to the Confidential Information is the only way to
15 ensure the confidentiality of the Estate's trade secret information and thereby protect its
16 competitive business advantage.

17 2 The Estate Is Entitled to Maintain the Confidentiality of Its Litigation
18 Strategy

19 Disclosure of Confidential Information would also reveal to third parties,
20 including potential claimants or opposing parties in litigation, the Estate's litigation strategy,
21 assessment of the weaknesses and strengths in its positions and its bargaining posture. Sealing
22 the Court record with respect to the Confidential Information is the only way to protect the
23 Estate's overriding interest in maintaining the confidentiality of its litigation strategy.

24 **B. The Overriding Interests Support Sealing the Record.**

25 The Estate's overriding interest in maintaining the confidentiality of its trade
26 secrets, proprietary information and litigation strategy supports sealing the Status Report and
27 Petition and supporting documents containing Confidential Information. *See Cal R Ct*
28

1 2 550(d)(2) Absent a sealing order as to the Confidential Information, the Estate's business
2 affairs and ability to prosecute or defend against future or pending litigation would be
3 compromised Sealing the record is the only way to preserve the confidentiality of the
4 Confidential Information and prevent the competitive disadvantage the Estate would suffer if the
5 Confidential Information were made public

6
7 **C. There Is a Substantial Probability That the Overriding Interests Will Be
Prejudiced If the Record Is Not Sealed.**

8 Given the unprecedented attention given to the Estate by the media and fans of
9 Michael Jackson, it is virtually certain that the Confidential Information would be widely
10 disseminated if filed publicly, thereby prejudicing the Estate's interests See Cal R Ct

11 2 550(d)(3) Sealing the Confidential Information is the only way to ensure that the Estate's
12 overriding interest in maintaining the confidentiality of its trade secrets, proprietary information
13 and litigation strategy is protected

14
15 **D. The Proposed Sealing Is As Narrowly Tailored As Possible, and No Less
Restrictive Means Exist to Achieve the Overriding Interests.**

16 The sealing of Confidential Information proposed by the Special Administrators is
17 as narrowly tailored as possible, and no less restrictive means exist to protect the Estate's
18 overriding interests adequately See Cal R Ct 2 550(d)(4), (5) The Special Administrators
19 seek to seal only portions of the Status Report and Petition and to lodge or file under seal the
20 supporting pleading and records pursuant to Rules 2 550 and 2 551 of the California Rules of
21 Court The Special Administrators have filed a redacted version of the Status Report and
22 Petition publicly and took care to redact only the minimum information necessary to protect the
23 Estate's trade secrets, proprietary information, negotiating ability, and litigation strategy The
24 redacted Status Report and Petition makes available to the public all but the most confidential
25 information regarding the MJJ Business and the request for compensation to the Special
26 Administrators' counsel Among other things, the redacted Status Report and Petition discloses
27 the amount of compensation sought by the Special Administrators' attorneys, the identity of the
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1 attorneys involved and, generally, the nature of the services for which compensation is sought
2 The detailed information that has been or will be redacted from the Status Report and Petition
3 and supporting documents is of relatively minimal value to the public, but could be used by third
4 parties to the Estate's disadvantage The public's interest in access to these proceedings will be
5 satisfied if the Court grants this Motion because the Status Report and Petition, in minimally
6 redacted form, will be available to the public, as will the Court's Order on the Status Report and
7 Petition

8 IV. CONCLUSION

9 For the foregoing reasons, the Special Administrators respectfully request that this
10 Court enter an Order allowing them to file the Confidential Information contained in the Status
11 Report and Petition under seal and to lodge or file under seal the pleadings and records that have
12 been or will be submitted in support of the Status Report and Petition, including the declarations
13 set forth in Paragraph 2 of the attached Declaration of Jeryll S Cohen

14
15 Dated September 22, 2010

Respectfully submitted,

16 **HOFFMAN, SABBAN & WATENMAKER**
17 **A Professional Corporation**

18 **KINSELLA WEITZMAN ISER KUMP**
19 **& ALDISERT LLP**

20 By 

JERYLL S. COHEN

21 **Attorneys for John Branca and**
22 **John McClain, Special Administrators of the**
23 **Estate of Michael Joseph Jackson**

✓

DECLARATION OF JERYLL S. COHEN

1
2 I, Jeryll S Cohen, declare

3 1 I am an attorney licensed to practice law in the State of California and am
4 a partner at the law firm Hoffman, Sabban & Watenmaker, counsel of record for John Branca
5 and John McClain (the "Special Administrators") as the Special Administrators of the Estate of
6 Michael Joseph Jackson (the "Estate") Except as otherwise stated, the statements contained
7 herein are based on my personal knowledge and experience If called as a witness, I could and
8 would testify competently to those facts

9 2 In connection with the Report re Management of the MJJ Business and
10 Petition for Allowance of Compensation to Attorneys and Instructions re Creditors' Claim filed
11 conditionally under seal on September 22, 2010 (the "Status Report and Petition"), the Special
12 Administrators lodged conditionally under seal a financial report and will lodge conditionally
13 under seal declarations for the Court's information in support of the request for approval of
14 compensation to the Special Administrators' attorneys The Special Administrators will be
15 lodging with the Court at least the following supporting documents conditionally under seal

- 16 a Declaration of Paul Gordon Hoffman,
- 17 b Declaration of Howard Weitzman,
- 18 c Declaration of Zia F Modabber,
- 19 d Declaration of Gregory A Cross,
- 20 e Declaration of Vincent H Chieffo,
- 21 f Declaration of Ian M Kirby,
- 22 g Declaration of Tetsuro Toriumi, and
- 23 h Declaration of Martin Diesbach

24 The Special Administrators may be lodging or filing additional documents or records
25 conditionally under seal in support of the Status Report and Petition

26 3 The Special Administrators filed the Status Report and Petition
27 conditionally under seal, lodged the financial report and will or may be lodging or filing

1 declarations and other documents and records conditionally under seal in support of the Status
2 Report and Petition because these documents contain the Estate's confidential trade secrets,
3 proprietary information, critical information as to which confidentiality is essential to the
4 conduct of the Estate's business and legal affairs, including information about the Estate's
5 negotiating strategy and business plans and objections, information that is subject to a prior
6 sealing order of the Court, and/or information that is subject to a confidentiality agreement with a
7 third party. This information is collectively referred to in this Declaration as "Confidential
8 Information."

9 4 The Estate has an overriding interest in maintaining the confidentiality of
10 its trade secrets, proprietary information and litigation strategy, which are directly or indirectly
11 revealed by the Confidential Information. This overriding interest overcomes the public's rights
12 to access and supports sealing the record because public disclosure of Confidential Information
13 would give third parties an unfair competitive advantage over the Estate in future business
14 dealings, deter potential parties from contracting with the Estate for fear that the sensitive terms
15 of their business deals would also be made public, and reveal to third parties – including
16 potential claimants or opposing parties in litigation – the Estate's litigation strategy, assessment
17 of the weaknesses and strengths in its positions and its bargaining posture. Absent a sealing
18 order as to the Confidential Information, the Estate's business affairs and ability to prosecute or
19 defend against future or pending litigation would be compromised.

20 5 Given the unprecedented attention given to the Estate by the media and
21 fans of Michael Jackson, it is virtually certain that the Confidential Information would be widely
22 disseminated if filed publicly, thereby prejudicing the Estate's interests.

23 6 The sealing of Confidential Information proposed by in the accompanying
24 Motion to Seal is as narrowly tailored as possible, and no less restrictive means exist to protect
25 the Estate's overriding interests adequately. The Special Administrators have filed a redacted
26 version of the Status Report and Petition publicly and took care to redact only the minimum
27 information necessary to protect the Estate's trade secrets, proprietary information, negotiating
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1 ability, and litigation strategy The redacted Status Report and Petition makes available to the
2 public all but the most confidential information regarding the MJJ Business and request for
3 compensation to the Special Administrators' counsel Among other things, the redacted Status
4 Report and Petition discloses the amount of compensation sought by the lawyers, the identity of
5 the attorneys involved and the general nature of the services for which compensation is sought
6 The detailed information that has been or will be redacted from the Status Report and Petition
7 and supporting documents is of relatively minimal value to the public, but could be used by third
8 parties to the Estate's disadvantage The public's interest in access to these proceedings will be
9 satisfied if the Court grants this Motion because the Status Report and Petition, in minimally
10 redacted form, will be available to the public, as will the Court's Order on the Status Report and
11 Petition

12 I declare under penalty of perjury of the laws of the State of California that the
13 foregoing is true and correct Executed on September 22, 2010, at Los Angeles, California

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17 **JERYLL S. COHEN**
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1 John Branca ("Mr Branca") and John McClain ("Mr McClain"), the Special
2 Administrators of the Estate of Michael Joseph Jackson (the "Estate"), respectfully submit this
3 Report Re Management of the MJJ Business, and Petition for Allowance of Compensation to
4 Attorneys for Special Administrators and Instructions Re Creditors' Claims, as follows:

5 INTRODUCTION

6 1. On February 3, 2010, this Court ordered that the Special Administrators
7 are, among other things, authorized to operate the MJJ Business as set forth in the Petition for
8 Authority to Continue Operation of Decedent's Business which was filed on January 22, 2010
9 The Court further ordered that the Special Administrators shall file a status report on the
10 management of the MJJ Business every nine months, beginning September 7, 2010 The Special
11 Administrators submit this Report in compliance with that Order Since a federal estate tax
12 return is required for this Estate, the report of status of administration under Probate Code
13 Section 12200 is not due until January 14, 2011 (i.e , eighteen months after the date that Letters
14 of Special Administration were issued to Petitioners on July 14, 2009). This Petition also
15 includes a request for an order instructing the Special Administrators regarding certain creditors'
16 claims and a request for an order allowing extraordinary attorneys' compensation

17 BACKGROUND FACTS

18 2. **Date of Death.** Michael Joseph Jackson (hereafter referred to as Michael
19 Jackson) died testate on June 25, 2009 in the County of Los Angeles At the time of his death,
20 Michael Jackson was a resident of Los Angeles County Michael Jackson was not married at the
21 time of his death. He was survived by his three minor children, namely, Michael Joseph Jackson,
22 Jr , Paris-Michael Katherine Jackson, and Prince Michael Jackson II (collectively, the "Minor
23 Children")

24 3. **The Guardian and the Guardian Ad Litem.** Michael Jackson's mother,
25 Katherine Esther Jackson ("Mrs Jackson"), is the Guardian of the Person of the Minor Children,
26 having been appointed the Temporary Guardian on June 29, 2010 and the Permanent Guardian
27 on August 3, 2010 Margaret G Lodise is the Guardian Ad Litem for the Minor Children Ms
28 Lodise has not been discharged

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4. Sole Beneficiary of the Decedent's Estate. The sole beneficiary of

Michael Jackson's Estate is his inter vivos trust, namely, the Michael Jackson Family Trust (the "Trust") Messrs Branca and McClain are the currently serving Co-Trustees of the Trust The beneficiaries under the Trust are the Minor Children, Mrs Jackson and unnamed charities

5. Appointment of Special Administrators/Admission of Will to Probate.

On July 6, 2009, this Court appointed Messrs Branca and McClain Special Administrators with certain specific powers identified on the order, including the powers to take certain actions with respect to business matters Letters of Special Administration were issued to Petitioners on July 14, 2009. On August 3, 2009, this Court admitted to probate Michael Jackson's Will dated July 7, 2002 ("Michael's Will") However, the appointment of executors was the subject of dispute, although no formal objections to the appointment of Messrs Branca and McClain were filed by any beneficiary The Court extended the Letters of Special Administration issued to Messrs Branca and McClain several times On October 2, 2009, in addition to extending the Letters of Special Administration, the Court granted to Messrs. Branca and McClain general powers, through January 4, 2010 Letters of Special Administration with General Powers were issued on October 15, 2009 On November 10, 2010, the Court appointed Messrs Branca and McClain Executors under the Will of Michael Jackson with limited authority to administer the Estate under the IAEA However, Michael Jackson's father, Joseph Jackson, who is not a beneficiary of Michael Jackson's Will or the Trust, appealed from that Order, thereby staying that Order The appeal is pending, with oral argument set for October 6, 2010. Notwithstanding the appeal, Messrs Branca and McClain's powers as Special Administrators were retained pursuant to this Court's November 10th order (entered January 4, 2010), which provided that if an appeal were taken from the Order appointing Messrs Branca and McClain as the Executors, the letters of special administration then in effect would continue in effect until further order of the Court and that the Special Administrators would be granted limited power to administer the Estate under the IAEA The extended Letters were issued on January 14, 2010

1 **REPORT RE STATUS OF BUSINESS**

2 **6. The Estate's Business Assets.** The administration of this Estate is unlike
3 the typical probate administration. The administration of Michael Jackson's Estate is more akin
4 to the operation of a substantial business enterprise. The Estate's business assets, which are the
5 primary assets in the Estate, include a fifty percent interest in Sony/ATV Music Publishing
6 Company ("Sony/ATV"), the third largest music publisher in the world,¹ a one hundred percent
7 interest in Mijac Music, a dba for Michael Jackson which holds the music publishing rights to
8 Michael Jackson's own songs, in addition to the songs of other well known song writers and
9 songs popularized by major performers (including Sly and the Family Stone, Curtis Mayfield and
10 Ray Charles), the rights to the writer's share of income from Michael Jackson's songs,
11 ownership of Michael Jackson's master recordings, which are subject to a distribution agreement
12 and joint venture agreement with Sony Music, the rights to license Michael Jackson's name and
13 likeness, and an interest in the Neverland ranch and trademarks. At the time of Michael
14 Jackson's death, his business interests were held and administered in and through approximately
15 30 different entities, including several bankruptcy remote trusts.

16 **7. Order Authorizing Special Administrators to Operate the MJJ**
17 **Business.** On February 3, 2010, the Court ordered that the Special Administrators are authorized
18 (i) to operate the MJJ Business as set forth in the Petition for Authority to Continue Operation of
19 Decedent's Business and for Authority to Employ and Compensate Executive and Management
20 Team, Entertainment Counsel, and Other Professional Advisors (the "Petition Re Operation of
21 Business"), filed by John Branca and John McClain, (ii) to have Messrs Branca and McClain
22 serve as the Co-Executive and Creative Directors and for them to receive the compensation
23 described in Paragraph 4 of that Order, effective as of July 6, 2009 and to pay themselves
24 retroactively and on an ongoing basis, (iii) to employ and pay on an ongoing basis a business
25 manager and other professional (non-legal) and business advisors as the need arises; and (iv) to

26 _____
27 ¹Sony/ATV owns the music publishing rights to the Beatles catalogue of more than 200
28 songs, and songs by many other artists, including among others, songs popularized by Elvis
Presley and songs written by Bob Dylan and Willie Nelson

1 retain and pay on an ongoing basis, on account, such other legal counsel, such as litigation,
2 trademark and corporate counsel as should become necessary from time to time in connection
3 with the operation of the MJJ Business The Court further ordered that the Special
4 Administrators shall file a status report on the management of the MJJ Business every nine
5 months, beginning September 7, 2010

6 **8. Financial Report.** Lodged with this Court and filed conditionally under
7 seal, concurrently with the filing of this Report is a Report of Financial Transactions which
8 reflects the receipts and disbursements for the Estate and all of its entities for the period June 25,
9 2009 through May 31, 2010 (the "Financial Report") It is in two parts Part A-1 covers the
10 period June 25, 2009 through October 31, 2009 and Part A-2 covers the period November 1,
11 2009 through May 31, 2010 (An Accounting of Income and Disbursements for the Period
12 Covering June 26, 2009 Through October 31, 2009 was attached as Exhibit D to the Notice of
13 Lodging in Support of Petition for Order Allowing and Approving Payment of Extraordinary
14 Compensation, etc , lodged under seal with this Court on or about December 18, 2009, in
15 conjunction with the hearing on January 4, 2010 (the "First Report") Although Part A-1 covers
16 that same period, it has been adjusted to include receipts of the bankruptcy remote trusts that
17 were not included in the First Report) A Motion to Seal is filed concurrently with this Report
18 The Financial Report is not intended to be a formal account satisfying the requirements of
19 Section 1060 et seq of the Probate Code The Special Administrators are still in the process of
20 marshaling the assets and completing the inventories and expect a number of inventories to be
21 filed prior to the hearing on this Report or shortly thereafter and that all inventories will be filed
22 by mid-October, after the Federal Estate Tax Return has been filed Therefore, the Financial
23 Report is a report of cash flow (i e , receipts and disbursements), it does not include the non-cash
24 assets on hand at the beginning of the reporting period None of the non-cash assets of the Estate
25 have been sold or otherwise disposed of As mentioned above, because the Estate is required to
26 file an estate tax return, the first account and report of status of administration of the Estate is not
27 due until January 14, 2011 The Special Administrators anticipate that they will file a formal
28

1 First Account Current and Report of Status of Administration which will comply with Probate
2 Code Section 1060 et seq before the end of 2010

3 9 **Summary of Income and Expenses.** For the Court's convenience, prior
4 to the hearing, the Special Administrators will file a schedule conditionally under seal, which
5 will consolidate the receipts and disbursements by categories of all entities for the period
6 covered. The gross revenue generated by the Estate and all of its entities through July 31, 2010
7 actually exceeds [REDACTED]. The Estate has generated substantial revenue since May 31, 2010
8 and the receipts indicated in the Report are not reflective of the gross revenues of the Estate
9 because certain revenue is collected and administered by a third party administrator (such as
10 Warner Chappell and Sony Music). The Special Administrators are still in the process of
11 gathering information regarding the gross revenues and the payments made by the third party
12 administrator, such as payments in connection with songs written by persons other than Michael
13 Jackson. The Special Administrators expect that they will have sufficient information to include
14 these figures in the formal Account anticipated to be filed by the end of 2010.

15 10. **MJJ Business in June 2009.** At the time of Michael Jackson's death, the
16 MJJ Business faced very challenging circumstances. Michael Jackson died virtually on the eve
17 of a sold-out and extraordinarily expensive concert tour, "This is It," exposing the Estate to
18 substantial financial liability in the tens of millions of dollars. In addition, his business affairs
19 were, to a large extent, in disarray. Among other issues, Michael Jackson had changed business
20 managers, lawyers and personal managers several times in the years immediately prior to his
21 death, most recently in the weeks and months prior to his death, and the transfer of files to his
22 last team of advisors and representatives was in transition at the time of his death.² As a result,
23 Michael Jackson's financial and legal documents were scattered around the country and the
24 location of many documents was not ascertainable as of the date of death. The Estate was

25 _____
26 ²Shortly before Michael Jackson's death, Michael Jackson had retained John Branca, of
27 Ziffren Brittenham LLP (the "Ziffren Firm"), and Joel Katz, of Greenberg and Traung LLP
28 ("GT") as entertainment counsel. He was in between personal managers, transitioning between
Dr. Tohme Tohme and Frank DiLeo. He had engaged the accounting firm of Crowe Horwath as
his business manager a few months prior to his death.

1 embroiled in a variety of legal and financial problems that presented, and continue to present,
2 difficult issues which must be addressed effectively and efficiently. Michael Jackson's assets
3 were highly leveraged, with some of the debt accruing interest at extremely high interest rates,
4 and some debt in default³ Since their appointment, the Special Administrators have acted
5 promptly and decisively to identify and analyze the issues, marshal and control the assets, resolve
6 much of the litigation and actively contest the balance of the litigation, aggressively take action
7 to protect and enforce the Estate's trademarks and copyrights from opportunists worldwide,
8 renegotiate and restructure existing financing arrangements, reducing the interest and income
9 taxes and repaying principal, enter into unprecedented business deals that have produced, and
10 will in the future produce, significant revenues for the Estate, and have successfully rebuilt and
11 enhanced Michael Jackson's image with the release of the movie, song and album "This is It "

12 As a result of the Special Administrators' executive and creative management of the MJJ
13 Business, the Special Administrators have made substantial progress in reducing the Estate's
14 debt and solidifying the MJJ Business as a significant entity in the music industry The
15 Financial Report sets forth in detail the receipts and disbursements of the Estate and all its
16 entities The significant transactions reflected on the Financial Report are summarized below

17 **11. Debt Restructure.** At the time of Michael Jackson's death, the primary
18 assets of the Estate (i.e., Mijac Music and Michael Jackson's interest in Sony/ATV), were highly
19 leveraged Michael Jackson had used Mijac Music as security for two loans, one issued by HSBC
20 (the "HSBC Loan") and the other issued by Plainfield Asset Management (the "Plainfield Loan")
21 The Plainfield Loan interest rate was [REDACTED]%. The cumulative balance due at the time of Michael
22 Jackson's death on both loans was approximately [REDACTED] Both loans were scheduled to
23 mature in 2011⁴

24
25 ³The mortgage and utilities for Hayvenhurst had been unpaid for several months

26 ⁴The loans were administered and serviced through two bankruptcy remote trusts which
27 Michael Jackson established in connection with the financing transactions Michael Jackson's
28 interest in Mijac was assigned to the MJ Publishing Trust, a Delaware common law trust, which
thereafter assigned it to the New Horizons Trust III, a Delaware Statutory Trust ("NH Trust
III") The beneficial owner of NH Trust III is the MJ Publishing Trust The NH Trust III is

1 (a) **Mijac Music.** In December 2009, the Special Administrators successfully
2 negotiated with HSBC to refinance and restructure the HSBC Loan and the Plainfield Loan into a
3 new loan (the "HSBC Refinance Agreement") with more favorable terms, including a reduction in
4 the interest rate, which will save the Estate approximately \$ [REDACTED] per month. In addition, the
5 Special Administrators restructured the loan in a manner that will allow the Estate to use all of the
6 interest payments (rather than only a portion of the interest payments) as an income tax deduction,
7 resulting in a further savings to the Estate of approximately \$3 million in taxes over a five year
8 period. The financing transaction was approved by this Court pursuant to its order entered
9 December 8, 2009.

10 (b) **Sony/ATV.** Michael had also pledged his fifty percent interest in
11 Sony/ATV as security for a loan issued by Barclays Capital. At the time of Michael Jackson's
12 death, the balance due on the Sony/ATV Loan was approximately \$ [REDACTED]⁵. The loan
13 matures on December 3, 2010. The loan is further secured by a guaranty given by Sony Global
14 Treasury. In exchange for securing Sony's guaranty, Michael Jackson was required to give up
15 significant rights to control and/or sell his interest in Sony/ATV as well as granting Sony
16 protections in the event of a default.

17 (c) The Special Administrators have recently completed successful
18 negotiations with UBS to refinance the loan secured by the Estate's interest in Sony/ATV as well

19 _____
20 designed to service the Plainfield Loan and HSBC Loan. After the collateral is released, the
21 assets are to be distributed as MJ Publishing Trust directs. During his lifetime, Michael Jackson
22 was the beneficiary of the MJ Publishing Trust, and by operation of law, upon his death, his
23 successor in interest (the Estate) became the Successor Beneficiary. The proceeds and income
24 of the NH Trust III are to be used to pay the expenses of the Trustees of that Trust, service the
25 loan obligations, and distribute the balance to the Beneficiary (the MJ Publishing Trust) within a
26 stated amount of time.

25 ⁵The loan is also administered and serviced through two bankruptcy remote trusts which
26 Michael Jackson established in connection with his financing transactions. Michael Jackson's
27 interest in Sony/ATV is owned by New Horizons Trust II, a Delaware statutory trust ("NH Trust
28 II"). The NH Trust II is intended to be only a security device. The beneficial owner of NH Trust
29 II is the MJ-ATV Publishing Trust, a Delaware statutory Trust. The Trustee of NH Trust II is
30 Wells Fargo Delaware Trust Company. The Estate is the sole beneficiary of the MJ-ATV
31 Publishing Trust.

1 as extensive negotiations with Sony to complete the refinance transaction The Special
2 Administrators' task was challenging. The negotiations resulted in an amended agreement with
3 Sony to the great benefit of the Estate and a new loan at a substantially lower interest rate for the
4 Estate, which is locked in for the period of the loan

5 **12. Business Transactions Authorized by the Court.** Since their
6 appointment, the Special Administrators have entered a number of business transactions on behalf
7 of the MJJ Business, through the Estate and also through various business entities formed or
8 utilized for the specific purpose of the particular transaction Many of the business transactions
9 were submitted to the Court for approval or for an order authorizing the Special Administrators to
10 enter the transactions These transactions are described in Paragraph 12 (a) The Special
11 Administrators also entered a number of business transactions under their authority to administer
12 the Estate under the IAEA after giving a notice of proposed action to all interested parties These
13 transactions are described in Paragraph 12 (b) below

14 (a) The following major business transactions were authorized by the Court

15 1) Republication of Michael Jackson's book Moonwalk in several
16 languages, in many territories around the world (See Orders entered July 23, 2009, August 6,
17 2009 and September 15, 2009)

18 2) The release of a motion picture, Michael Jackson's This Is It,
19 derived from rehearsal footage taken in connection with the This Is It Tour The agreement with
20 Sony Pictures Columbia Pictures Industries, Inc ("Columbia"), and its affiliate, Sony Pictures
21 Entertainment, Inc ("Sony Pictures") provided historic economic benefits for the Estate, with an
22 unprecedented advance for a documentary-concert film The film's gross box office during its
23 initial theatrical run (\$260 million) was the highest of any documentary film in history, and the
24 film's United States gross in its opening weekend was the highest of any film released that week
25 and the fifth highest in history for that week This film also generated enormous consumer
26 demand for a related compact disc release of the album "This Is It" and for the DVD release of the
27 film Most significantly, the film created a platform for the subsequent enormous success of the
28 Michael Jackson brand and the business opportunities and transactions that followed (See Order

1 [REDACTED] As a result of the Amendment and an audit of AEG's accounting, the Estate's obligation
2 to AEG was substantially reduced and completely satisfied

3 (b) The Special Administrators entered the following business transactions
4 under their IAEA authority after serving a notice of proposed action on all interested parties⁶

5 1) The Special Administrators extended the agreement that Michael
6 Jackson had with Broadcast Music, Inc ("BMI") for the collection and distribution of the
7 composer's share of royalties relating to Michael Jackson's musical compositions for another [REDACTED]

8 [REDACTED] On December 3, 2009, the Special Administrators served a
9 Notice of Proposed Action regarding this transaction on the interested parties No objections were
10 received

11 2) The Special Administrators engaged Gelfand, Rennert & Feldman
12 LLP to conduct a royalty audit of the reports and accountings provided by Sony Music
13 Entertainment for [REDACTED] in connection with Michael
14 Jackson's artist [REDACTED] for the joint venture agreements with Sony Music On December
15 22, 2009, the Special Administrators served a Notice of Proposed Action regarding this
16 transaction on the interested parties No objections were received The audit has not yet been
17 concluded

18 3) Petitioners entered into a Director/Producer Agreement with Kenny
19 Ortega and his loan out corporation with respect to the services Mr Ortega provided in connection
20 with the film entitled "Michael Jackson's This Is It " On December 24, 2009, the Special
21
22

23
24 ⁶Most of the business transactions include a confidentiality provision In addition, as
25 certain terms of these business transactions are highly confidential and represent trade secrets for
26 the Estate and the parties to the contracts, notices of proposed action included only a summary of
27 the non-confidential terms However, the Special Administrators separately provided counsel for
28 Mrs Jackson and Ms Lodise with the confidential terms, proposed agreements and any other
information ("Confidential Information") requested by them Mr Zimring indicated that he
preferred not to be provided with the Confidential Information except as specifically requested
Therefore, the Special Administrators' counsel offered to provide Mr Zimring with the
Confidential Information and did provide it to him if he so requested

1 Administrators served a Notice of Proposed Action regarding this transaction on the interested
2 parties No objections were received

3 4) The Special Administrators, through Triumph International Inc ,
4 entered into a Memorandum of Understanding with SEE Virtual World MJ, LLC for an
5 irrevocable option to create a Massively Multiplayer Online Game On January 14, 2010, the
6 Special Administrators served a Notice of Proposed Action regarding this transaction on the
7 interested parties No objections were received.

8 5) Through MJJ Productions Inc ("MJJP") and MJJ Ventures, Inc
9 (MJJV), the Special Administrators entered into an agreement with Sony Music Entertainment
10 ("Sony Music") to amend and modify the agreement previously entered between MJJP and Sony
11 Music dated August 1, 2001 and the agreement entered into between MJJV and Sony Music dated
12 January 1, 1991 The new agreement has been accurately reported by the press as the largest
13 record deal in history Among other things, the new agreement provides for the companion album
14 for the film "Michael Jackson's This is It" (see Paragraph 12 a (3) above), [REDACTED]

15 [REDACTED]
16 [REDACTED] The Special Administrators are responsible for
17 overseeing the final selection and organization of material, as well as the design and marketing
18 plans In addition, the Special Administrators will address all rights held by third parties before
19 the release of any album On February 3, 2010, the Special Administrators served a Notice of
20 Proposed Action regarding the amendments to the agreements with Sony Music Entertainment on
21 the interested parties No objections were received

22 6) The Special Administrators entered an agreement with Creations
23 Meandres Inc (the creator and operator of the Cirque de Soleil shows, referred to below as
24 "Cirque")) for the presentation of live shows based on Michael Jackson's music and songs Two
25 shows are currently in development a show permanently located in Las Vegas, Nevada, and a
26 traveling show The touring show will travel the world Each of the elements for these shows
27 requires research through the existing material, selection of music and personnel for each show,
28 and the required agreements for each of the artists and producers involved The permanent and

1 touring productions have completely separate Cirque teams with whom the Special
2 Administrators are working On February 16, 2010, the Special Administrators served a Notice of
3 Proposed Action regarding this transaction on the interested parties No objections were received

4 7) The Special Administrators, through Triumph International, Inc.,
5 entered into a license agreement with Ubisoft Entertainment S A for the name and likeness rights
6 of Michael Jackson for the development, promotion and sale of a video game (the "Ubisoft
7 Deal") The Ubisoft Deal [REDACTED]

8 [REDACTED]
9 [REDACTED] Every element, from the selection from the wide variety of intellectual property
10 material incorporated to the editing and design for each element of each version of the game
11 requires substantial input to ensure the best product This project is still in development, but it is
12 anticipated that the final product will be unprecedented in that it will allow the player to dance
13 and sing without having to hold or wear any special equipment, and have his or her movements
14 captured by the hardware equipment and displayed on the screen On March 9, 2010, the Special
15 Administrators served a Notice of Proposed Action regarding this transaction on the interested
16 parties No objections were received

17 **13. Litigation and Claims Filed Against Estate.** At the time of Michael
18 Jackson's death, he was embroiled in many lawsuits, including a number in which no appearance
19 had been entered on behalf of Mr Jackson In addition, a number of lawsuits have been filed
20 since Michael Jackson's death relating to creditors' claims. Sixty-five (65) creditor claims were
21 filed against the Estate Most of the lawsuits and creditors' claims relate to the MJJ Business
22 The Special Administrators and their team of counsel have resolved many of the lawsuits and
23 creditors' claims either through favorable court disposition or by settlement A number of the
24 creditors' claims have spawned additional litigation which the Special Administrators and their
25 legal team are in the process of defending. A schedule listing the sixty-five (65) creditor claims
26 filed and their respective dispositions is attached as **Exhibit "A,"** and incorporated here by this
27 reference

28

1 **14. Lawsuits Pending on the Decedent's Death.** The Special Administrators
2 had to step into approximately ten lawsuits pending at the time of Michael Jackson's death. The
3 Special Administrators' attorneys have continued to address these lawsuits, many of which have
4 been resolved favorably for the Estate. A description of the nature of the litigation and its status
5 will be provided in a supplement that will be filed prior to the hearing on this Report.

6 **15. Request for Authority to Approve Creditors' Claims Filed by Counsel**
7 **for the Special Administrators.** The Special Administrators have negotiated settlements with
8 several creditors and request that the Court approve of their proposed disposition of these
9 creditors' claims as follows.

10 (a) **Arnold & Porter (UK).** Arnold & Porter (UK) was engaged by a number
11 of Michael Jackson's companies prior to his death, since at least November 2008. On November
12 16, 2009, Arnold & Porter (UK) filed a creditor's claim in the amount of £103,179.10 for
13 outstanding legal fees due at the time of Michael Jackson's death. Because Arnold & Porter (UK)
14 now represents the Special Administrators, their creditor's claim may not be paid without Court
15 approval. See Cal Prob Code § 9252(a). As set forth in Paragraph 7 of the Declaration of Ian
16 Kirby submitted herewith, a total of £95,920.42 remains due for services rendered and expenses
17 incurred on behalf of Michael Jackson prior to his death. Therefore, Petitioners request that the
18 Court authorize them to pay Arnold & Porter (UK) £95,920.42 for legal services rendered to
19 Michael Jackson prior to his death.

20 (b) **Mundell Odlum & Haws (the "Mundell Firm")** The Mundell Firm
21 represented Michael Jackson in several matters prior to his death. These matters included but
22 were not limited to Kapon v Jackson and MJJ Productions, Wiesner v Jackson and Triumph
23 International, Avram v Jackson and MJ Company, Schaffel v Jackson and MJJ Productions et
24 al, Ayscough & Marar v Jackson and MJJ Productions, and Oxman v Jackson. All of these
25 matters were active, involving in arbitrations, mediations or trial. A promissory note for fees
26 owed was agreed upon between the Mundell Firm and Michael Jackson. Michael Jackson was
27 represented by independent counsel. The Mundell Firm filed a creditor's claim on October 30,
28 2009 in the amount of \$1,571,768.62 plus interest at \$245.59 per day from 10/27/09 until paid.

1 The Special Administrators propose to allow the claim in part, in the amount of \$1,259,289.85
2 and to take no action at this time on the remaining balance of the claim - \$312,478.77.

3 **16. Worldwide Enforcement of Intellectual Property Rights.** The Special
4 Administrators have continued to monitor infringements of the Estate's intellectual property
5 around the world and have taken appropriate steps to protect the Estate's copyrights and
6 trademarks, including opposing infringing trademark applications, sending cease and desist letters
7 to infringers and, when appropriate, pursuing litigation against infringers. Among other things,
8 the Estate has obtained an injunction against a group using the name of Michael Jackson's former
9 charitable group, Heal the World, and the group's asserted right to control numerous trademarks
10 relating to Michael Jackson, had a character in Michael Jackson's likeness removed from a
11 popular video game, and obtained compensation for the unauthorized use of Michael Jackson's
12 likeness from the video game developer, PopCap, and obtained assurances from other infringers
13 that they would cease exploitation of the Estate's intellectual property.

14 **17. Litigation Relating to Joseph Jackson.** The Special Administrators have
15 also continued to address matters related to Joseph Jackson, including his request for a family
16 allowance (which was subsequently withdrawn), a subpoena issued by his attorneys to the UCLA
17 Medical Center, and his objections to the appointment of the Special Administrators as Executors.
18 The Special Administrators have filed a response to Joseph Jackson's appeal from the denial of
19 his objections to the appointment of Messrs. Branca and McClain as Executors of the Estate, and
20 have prepared and filed a Motion to Strike with regard to Joseph Jackson's Appellant's Reply
21 Brief and a Motion opposing Joseph Jackson's request for judicial notice. A hearing before the
22 California Court of Appeal is scheduled for October 6, 2010.

23 **COMPENSATION FOR ATTORNEYS FOR SPECIAL ADMINISTRATORS**

24 **18.** The Special Administrators' counsel have performed the services set forth
25 in this Status Report and the declarations (concurrently lodged, or to be lodged, with this Court for
26 its *in camera* review) in good faith, all of which were necessary for the proper administration of
27 the Estate and in the Estate's and the Beneficiaries' best interests. As more than four months have
28 passed since the issuance of Letters of Special Administration, the Special Administrators are

1 authorized to file this Petition *See Prob Code § 10830* Moreover, interim compensation for
2 extraordinary services is warranted because, given the size and complexity of the Estate, it appears
3 likely that the administration of the Estate will continue for an unusually long time *See Prob*
4 *Code § 10832(a)*

5 19. The Special Administrators have retained numerous attorneys to represent
6 them in connection with the numerous complexities of the MJJ Business, its structure and the
7 worldwide litigation Each law firm serves a distinct purpose and the Special Administrators have
8 endeavored to avoid the duplication of efforts

9 20. Petitioners' principal legal team consists of the Ziffren Firm as
10 entertainment counsel, Hoffman, Sabban & Watenmaker, APC and Kinsella Weitzman Iser Kump
11 & Aldisert LLP as probate counsel (the Weitzman Firm is also general litigation counsel),
12 Greenberg Traurig, LLP for addressing issues relating to trademark, copyright and publicity rights
13 worldwide (including without limitation, filing trademark applications, investigating registrations
14 and bringing claims or overseeing litigation overseas), recovery of assets, and entertainment and
15 corporate related matters (including among other things, addressing production issues, such as
16 drafting documentation or agreements required for personnel who worked on the film), and
17 Venable LLP for corporate and financing matters In addition, Petitioners have engaged other
18 attorneys with particular expertise and who are authorized to practice in the jurisdictions where
19 issues have arisen, to address certain specific matters, such as trademark issues in England,
20 Germany, Japan, France, Canada, South Korea, Australia, Colombia, Spain, and Benelux,
21 corporate matters, and copyright infringement issues Counsel for the Petitioners have rendered
22 extraordinary services for the benefit of the Estate, which services are described in the
23 *Declarations filed or lodged with this Court* Petitioners request that the Court allow, authorize
24 and approve of compensation to the attorneys designated below for extraordinary services
25 rendered in the amounts set forth, which the Petitioners believe represent the reasonable value of
26 the services rendered

27 21. **To Hoffman, Sabban & Watenmaker, APC (the "Hoffman Firm").** To
28 the Hoffman Firm, \$363,922 50 for extraordinary legal services for the period from November 1,

1 2009, up to and including April 30, 2010, and reimbursement in the amount of \$11,210 62 for
2 costs advanced through July 31, 2010, for a total of \$375,133 12 Petitioners further request that
3 going forward from May 1, 2010, the Hoffman Firm be allowed and authorized to receive
4 payment on account on a monthly basis of seventy percent (70%) of its invoiced fees, with the
5 Hoffman Firm's fees to be approved and allowed on a periodic basis

6 **22. To Kinsella Weitzman Iser Kump & Aldisert LLP (the "Weitzman**
7 **Firm").** To the Weitzman Firm, \$740,147 50 for extraordinary legal services for the period from
8 November 1, 2009, up to and including April 30, 2010, and reimbursement in the amount of
9 \$5,500 00 for costs advanced, for a total of \$745,647 50 Petitioners further request that going
10 forward from August 1, 2010, the Weitzman Firm be allowed and authorized to receive payment
11 on account on a monthly basis of seventy percent (70%) of its invoiced fees, with the Weitzman
12 Firm's fees to be approved and allowed on a periodic basis

13 **23. To Katten Muchin Rosenman LLP (the "Katten Firm").** To the Katten
14 Firm, \$108,548 50 for extraordinary legal services for the period from December, 2009, up to and
15 including May 31, 2010 (which includes a voluntary discount by the Katten Firm in the amount of
16 \$28,159 00), and reimbursement in the amount of \$337 61 for costs advanced, for a total of
17 \$108,886 11

18 **24. To Venable LLP.** To Venable LLP, \$536,657 00 for extraordinary legal
19 services for the period from Jun 26, 2009, up to and including May 31, 2010, and reimbursement
20 in the amount of \$20,470 19 for costs advanced, for a total of \$557,127 19

21 **25. To Greenberg Traurig LLP.** To Greenberg Traurig LLP, \$852,383 50 for
22 extraordinary legal services for the period from November 1, 2009, up to and including April 30,
23 2010 (which reflects a voluntary discount by Greenberg Traurig in the amount of \$35,327 00),
24 reimbursement in the amount of \$39,085 32 for costs advanced, and reimbursement in the amount
25 of \$34,834 81 for reasonable fees advanced by Greenberg Traurig to firms retained by Petitioners
26 for extraordinary legal services in assisting with Greenberg Traurig's trademark and intellectual
27 property efforts in various jurisdictions (set forth in more detail in paragraphs 26 - 35 below), for
28 a total of \$926,303.63

1 **26. To Yoshikatsu Shimada (the “Yoshikatsu Firm”).** To the Yoshikatsu
2 Firm, \$5,825 84 for extraordinary legal services for the period from November 1, 2009, up to and
3 including April 30, 2010, the full amount of which was advanced to the Yoshikatsu Firm by
4 Greenberg Traurig on behalf of the Estate, leaving no outstanding balance due to the Yoshikatsu
5 Firm (See Declaration of Vincent H Chieffo of Greenberg Traurig, LLP which will be lodged
6 prior to the hearing on this Report. (“Chieffo Decl ”), ¶ 27.)

7 **27. To Gide Loyrette Nouel (the “Gide Firm”).** To the Gide Firm,
8 \$88,177 09 for extraordinary legal services for the period from November 1, 2009, up to and
9 including April 30, 2010, of which \$12,380 92 was advanced to the Gide Firm by Greenberg
10 Traurig on behalf of the Estate, leaving an outstanding balance of \$75,796 17 due to the Gide
11 Firm (See Chieffo Decl , ¶ 28)

12 **28. To Gowling Lafleur Henderson (the “Gowling Firm”).** To the Gowling
13 Firm, \$18,875 36 for extraordinary legal services for the period from November 1, 2009, up to
14 and including April 30, 2010, of which \$9,218 10 was advanced to the Gowling Firm by
15 Greenberg Traurig on behalf of the Estate, leaving an outstanding balance of \$9,657 26 due to the
16 Gowling Firm (See Chieffo Decl , ¶ 29)

17 **29. To Bae, Kim & Lee (the “Bae Firm”).** To the Bae Firm, \$1,605 00 for
18 extraordinary legal services for the period from November 1, 2009, up to and including
19 April 30, 2010, the full amount of which was advanced to the Bae Firm by Greenberg Traurig on
20 behalf of the Estate, leaving no outstanding balance due to the Bae Firm (See Chieffo Decl , ¶
21 30)

22 **30. To Momsen, Leonardos & CIA (the “Momsen Firm”).** To the Momsen
23 Firm, \$2,817 39 for extraordinary legal services for the period from November 1, 2009, up to and
24 including April 30, 2010, the full amount of which was advanced to the Momsen Firm by
25 Greenberg Traurig on behalf of the Estate, leaving no outstanding balance due to the Momsen
26 Firm (See Chieffo Decl , ¶ 31)

27 **31. To Fross Zelnick Lehrman and Zissu PC (the “Fross Firm”).** To the
28 Fross Firm, \$16,968 37 for extraordinary legal services for the period from November 1, 2009, up

1 to and including April 30, 2010, of which \$974 00 was advanced to the Fross Firm by Greenberg
2 Traurig on behalf of the Estate, leaving an outstanding balance of \$15,994 37 due to the Fross
3 Firm (See Chieffo Decl , ¶ 32)

4 **32. To Computer Patent Annuities CPA Global (“CPA Global”).** To CPA
5 Global, \$1,599 68 for extraordinary legal services for the period from November 1, 2009, up to
6 and including April 30, 2010, the full amount of which was advanced to CPA Global by
7 Greenberg Traurig on behalf of the Estate, leaving no outstanding balance due to CPA Global
8 (See Chieffo Decl , ¶ 33)

9 **33. To Triana, Uribe & Michelsen (the “Triana Firm”).** To the Triana
10 Firm, \$413 88 for extraordinary legal services for the period from November 1, 2009, up to and
11 including April 30, 2010, the full amount of which was advanced to the Triana Firm by Greenberg
12 Traurig on behalf of the Estate, leaving no outstanding balance due to the Triana Firm. (See
13 Chieffo Decl , ¶ 34)

14 **34. To Duran Corretjer (the “Duran Firm”).** To the Duran Firm,
15 \$25,803 47 for extraordinary legal services for the period from November 1, 2009, up to and
16 including April 30, 2010 (See Chieffo Decl , ¶ 35)

17 **35. Ernest T. Freylinger (the “Freylinger Firm”).** To the Freylinger Firm,
18 \$222.86 for extraordinary legal services for the period from November 1, 2009, up to and
19 including April 30, 2010, the full amount of which was advanced to the Freylinger Firm by
20 Greenberg Traurig on behalf of the Estate, leaving no outstanding balance due to the Freylinger
21 (See Chieffo Decl , ¶ 36)

22 **36. To Arnold & Porter (UK).** To Arnold & Porter (UK), £145,998 25 for
23 extraordinary legal services and £5,449.02 for costs advanced for the period from June 26, 2009,
24 up to and including August 31, 2010, for which the Court previously allowed and approved
25 payment in the amount of £24,480 33, leaving an outstanding balance due to Arnold & Porter
26 (UK) of £126,966.94 (\$198,944 50)

27 **37. To TMI Associates (the “TMI Firm”).** To the TMI Firm, ¥28,360,907
28 (\$303,780 07) for extraordinary legal services for the period from October 15, 2009, up to and

1 including March 31, 2010, and reimbursement in the amount of ¥2,947,863 (\$31,575 22) for costs
2 advanced, for a total of ¥31,308,770 (\$335,355 29)

3 **38. To Noerr LLP (the "Noerr Firm").** To the Noerr Firm, \$376,981 64 for
4 extraordinary legal services for the period from July 1, 2009, up to and including April 30, 2010,
5 and reimbursement in the amount of \$29,776 16 for costs advanced, for a total of \$406,757 80

6 **39. Payment of Attorneys' Compensation on Account.** In its Order Re
7 Operation of the MJJ Business, the Court authorized the Special Administrators to retain and pay
8 on an ongoing basis, on account, legal counsel in connection with the MJJ Business. The
9 administration of the Estate is integrally involved with the operation of the MJJ Business and it is
10 at times difficult to distinguish services performed in connection with the business and services
11 performed purely in connection with administration. Furthermore, it is in the best interest of the
12 Estate to allow the Special Administrators to pay counsel on account in order to reduce the
13 frequency with which the Special Administrators will need to file a petition for allowance of
14 compensation to attorneys. Therefore, the Special Administrators request that the Court authorize
15 the Special Administrators to pay, on account, legal counsel in connection with the administration
16 of the Estate and the MJJ Business, all attorneys' compensation to be subject to periodic Court
17 approval

18 **BENEFICIARY MATTERS**

19 **40. Family Financial Support.** Michael Jackson provided the sole financial
20 support for his Minor Children and was Mrs. Jackson's primary source of support. The Special
21 Administrators have endeavored to continue to meet the financial needs of Mrs. Jackson and the
22 Minor Children. The Special Administrators have done so through a family allowance for Mrs.
23 Jackson and the Minor Children, which is described in the Report on the Status of the Family
24 Allowance, as well as various other means as described below

25 **41. Payment of Hayvenhurst Mortgage and Expenses.** Mrs. Jackson has
26 resided in the Estate's real property on Hayvenhurst Avenue in Encino, California
27 ("Hayvenhurst") for more than thirty years. The Minor Children now also live with Mrs. Jackson
28 at Hayvenhurst. Hayvenhurst is the "family home" and it is expected that it will be maintained

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1 long term for the benefit of the family. At the request of Mrs Jackson, the Special Administrators
2 expended approximately [REDACTED] on repairs and improvements to Hayvenhurst that were required
3 in order to address substantial deferred maintenance and to accommodate the needs of
4 the additional occupancy of the Minor Children, and provide for the security of the property and
5 its inhabitants The Special Administrators repaid the loan and removed the lien of the deed of
6 trust from Hayvenhurst, reducing the Estate's debt service burden by approximately \$ [REDACTED] per
7 month The Special Administrators have continued to provide for the maintenance of
8 Hayvenhurst, including estate management, security and staff The Special Administrators also
9 purchased an automobile for the use of Mrs Jackson and the Minor Children, which is owned by
10 an entity controlled by the Estate

11 **42. Loans to Mrs. Jackson.** As mentioned above, Mrs Jackson does not have
12 any significant financial resources other than the Estate She does not have the financial means to

13 [REDACTED]
14 [REDACTED] After giving notice to and obtaining the consent or
15 affirmation of no objection from all Margaret G Lodise, Guardian *Ad Litem* of the Minor
16 Children, and Joseph N Zimring, Deputy Attorney General for the California Department of
17 Justice Office of the Attorney General, the Special Administrators loaned to Mrs Jackson

18 [REDACTED]
19 [REDACTED] The loans are documented by a secured promissory note and
20 loan agreement which provides, among other things, that the loans will be allocated to Mrs
21 Jackson's share of the Michael Jackson Family Trust upon its funding

22

23 **GENERAL ADMINISTRATION MATTERS**

24 **43. Bond.** The Will waives bond However, a bond is currently set at
25 \$1,000,000 00

26 **44. Character of Estate Property.** The Estate consists of the Decedent's
27 separate property

28 **45. Inventory and Appraisal.** The Special Administrators are still

1 investigating and gathering information regarding the Estate's assets The Special Administrators
2 and their counsel are working with several specialized valuation consultants in conjunction with
3 the preparation of the federal estate tax return, due on September 27, 2010 The Special
4 Administrators believe that the Inventories and Appraisals will be concluded relatively soon after
5 the federal estate tax return is submitted Several partial Inventories and Appraisals have been
6 submitted to the probate referee Upon the Special Administrators' receipt of the completed
7 Inventories and Appraisals, the Special Administrators will file them with the Court

8 **46. Federal Estate Taxes.** A United States Estate Tax Return (Form 706) is
9 due to be filed for the Estate on September 27, 2010 The Special Administrators, their counsel
10 and their certified public accountants, have devoted significant time and attention to planning for
11 the determination and payment of the federal estate tax obligation of the Estate Among other
12 things, this has involved marshaling and appraising the Estate's assets, including attempting to
13 inventory and appraise tangible personal property held in storage facilities outside of California

14 **47. Income Taxes.** Michael Jackson had not filed personal income tax returns
15 or income tax returns for the entities he owned or controlled for 2006, 2007 or 2008 The Special
16 Administrators have filed Michael Jackson's individual income tax returns for 2006, 2007 and
17 2008 as well as income tax returns for those period on behalf of more than 20 entities Income
18 Tax Returns for 2009, including Michael Jackson's final income tax returns, will be filed by their
19 respective extended due dates, September 15, 2010 or October 15, 2010 All California and
20 federal personal income taxes due by Michael Jackson and the entities that he owned or controlled
21 have been paid or provided for by the Special Administrators

22 **48. Fiduciary Income Taxes.** The Estate's Fiduciary Income Tax Return is on
23 extension

24 **49. Real Property Taxes.** All real property taxes due by the Estate have been
25 paid

26 **50. California Franchise Tax Board Certificate.** There is no requirement for
27 a California Income Tax Certificate to be obtained from the Franchise Tax Board in this Estate
28

1 **51. Notice to Franchise Tax Board** Petitioners allege that Notice pursuant to
2 Probate Code § 9202(c)(1) has been given in this matter The original Proof of Service re Notice
3 to Franchise Tax Board has been filed with the Court A Creditor's Claim in the amount of
4 \$1,647 24 was filed by the Franchise Tax Board, and a Request for Special Notice has been filed
5 by the Franchise Tax Board

6 **52. Notice of Death.** Notice of Death has been published and filed, together
7 with an affidavit showing its due publication

8 **53. Claims Period.** More than four (4) months have elapsed since the issuance
9 of Special Letters of Administration with general powers and the time for filing claims has
10 expired All known and reasonably ascertainable creditors of the Estate as defined in Probate
11 Code § 9050 have received proper notice, or are within the class of creditors described in Probate
12 Code § 9054

13 **54. Efforts to Ascertain Creditors.** Petitioners made a search of Michael
14 Jackson's business, financial and personal records, including mail and miscellaneous documents,
15 unpaid bills and any other records that Michael Jackson kept to determine the existence and
16 whereabouts of creditors All such creditors who were located were mailed a Notice of
17 Administration to Creditors A true and correct list of creditors who received a mailed copy of the
18 Notice of Administration is attached hereto as **Exhibit "B,"** which is incorporated here by this
19 reference

20 **55. Investment of Cash.** Michael Jackson's Will as admitted to probate
21 provides as follows

22 I give to my Executors full power to invest and reinvest the estate funds and
23 assets in any kind of property, real, personal or mixed, and every kind of
24 investment, specifically including, but not by way of limitation, corporate
25 obligations of every kind and stocks, preferred or common, and interests in
26 investment trusts and shares in investment companies, and any common
27 trust fund administered by any corporate executor hereunder, which men of
28 prudent discretion and intelligence acquire for their own account

1 administration and MJJ Business, all attorneys' fees paid to be subject to Court approval on a
2 periodic basis,

3 3 Allowing and approving compensation to the Weitzman Firm in the amount
4 of \$740,147 50 for extraordinary services rendered to the Estate for the period from
5 November 1, 2009, up to and including April 30, 2010, and reimbursement in the amount of
6 \$5,500 for costs advanced, and authorizing Petitioners to pay a total of \$745,647 50 to the
7 Weitzman Firm from the Estate for those fees and costs,

8 4 Allowing and approving compensation to the Katten Firm in the amount of
9 \$108,548.50 for extraordinary legal services rendered to the Estate for the period from December,
10 2009, up to and including May 31, 2010, and reimbursement in the amount of \$337 61 for costs
11 advanced, and authorizing Petitioners to pay a total of \$108,886 11 to the Katten Firm from the
12 Estate for those fees and costs,

13 5 Allowing and approving compensation to Venable LLP in the amount of
14 \$536,657 00 for extraordinary legal services rendered to the Estate for the period from
15 June 26, 2009, up to and including May 31, 2010, and reimbursement in the amount of
16 \$20,470 19 for costs advanced, and authorizing Petitioners to pay a total of \$557,127 19 to
17 Venable from the Estate for those fees and costs,

18 6 Authorizing Petitioners to allow in part and pay the creditor's claim filed by
19 the Mundell Firm in the amount of \$1,259,289 85, reserving the right to take further action with
20 respect to the remaining balance of the creditor's claim,

21 7 Allowing and approving compensation to Greenberg Traurig in the amount
22 of \$852,383 50 for extraordinary services rendered to the Estate for the period from November 1,
23 2009, up to and including April 30, 2010, reimbursement in the amount of \$39,085 32 for costs
24 advanced, and reimbursement in the amount of \$34,834 81 for reasonable fees advanced by
25 Greenberg Traurig to firms retained by Petitioners for extraordinary services rendered to the
26 Estate, and authorizing Petitioners to pay a total of \$926,303 63 to Greenberg Traurig from the
27 Estate for those fees and costs,

28

1 8 Allowing and approving compensation to the Yoshikatsu Firm in the
2 amount of \$5,825 84 for extraordinary legal services for the period from November 1, 2009, up to
3 and including April 30, 2010, and approving Greenberg Traurig's advance of the full amount of
4 those fees to the Yoshikatsu Firm on behalf of the Estate;

5 9. Allowing and approving compensation to the Gide Firm in the amount of
6 \$88,177 09 for extraordinary legal services for the period from November 1, 2009, up to and
7 including April 30, 2010, approving Greenberg Traurig's advance of \$12,380 92 of those fees to
8 the Gide Firm on behalf of the Estate, and authorizing Petitioners to pay the outstanding balance
9 of \$75,796 17 to the Gide Firm from the Estate,

10 10 Allowing and approving compensation to the Gowling Firm in the amount
11 of \$18,875 36 for extraordinary legal services for the period from November 1, 2009, up to and
12 including April 30, 2010, approving Greenberg Traurig's advance of \$9,218 10 of those fees to
13 the Gowling Firm on behalf of the Estate, and authorizing Petitioners to pay the outstanding
14 balance of \$9,657 26 to the Gowling Firm from the Estate,

15 11 Allowing and approving compensation to the Bae Firm in the amount of
16 \$1,605 00 for extraordinary legal services for the period from November 1, 2009, up to and
17 including April 30, 2010, and approving Greenberg Traurig's advance of the full amount of those
18 fees to the Bae Firm on behalf of the Estate,

19 12 Allowing and approving compensation to the Momsen Firm in the amount
20 of \$2,817 39 for extraordinary legal services for the period from November 1, 2009, up to and
21 including April 30, 2010, and approving Greenberg Traurig's advance of the full amount of
22 those fees to the Momsen Firm on behalf of the Estate,

23 13 Allowing and approving compensation to the Fross Firm in the amount of
24 \$16,968 37 for extraordinary legal services for the period from November 1, 2009, up to and
25 including April 30, 2010, approving Greenberg Traurig's advance of \$974 00 of those fees to the
26 Fross Firm on behalf of the Estate, and authorizing Petitioners to pay the outstanding balance of
27 \$15,994 37 to the Fross Firm from the Estate,

28

1 14 Allowing and approving compensation to CPA Global in the amount of
2 \$1,599 68 for extraordinary legal services for the period from November 1, 2009, up to and
3 including April 30, 2010, and approving Greenberg Traurig's advance of the full amount of those
4 fees to CPA Global on behalf of the Estate,

5 15 Allowing and approving compensation to the Triana Firm in the amount of
6 \$413 88 for extraordinary legal services for the period from November 1, 2009, up to and
7 including April 30, 2010, and approving Greenberg Traurig's advance of the full amount of those
8 fees to the Triana Firm on behalf of the Estate;

9 16 Allowing and approving compensation to the Duran Firm in the amount of
10 \$25,803 47 for extraordinary legal services rendered to the Estate for the period from November
11 1, 2009, up to and including April 30, 2010, and authorizing Petitioners to pay a total of
12 \$25,803 47 to the Duran Firm from the Estate for those fees and costs,

13 17 Allowing and approving compensation to the Freylinger Firm in the amount
14 of \$222 86 for extraordinary legal services for the period from November 1, 2009, up to and
15 including April 30, 2010, and approving Greenberg Traurig's advance of the full amount of those
16 fees to the Freylinger Firm on behalf of the Estate,

17 18 Allowing and approving compensation to Arnold & Porter (UK) in the
18 amount of £145,998 25 for extraordinary legal services and £5,449 02 for costs advanced for the
19 period from June 26, 2009, up to and including August 31, 2010, for which the Court previously
20 allowed and approved payment in the amount of £24,480 33, and authorizing Petitioners to pay
21 the total outstanding balance of £126,966 94 (\$198,944 50) to Arnold & Porter (UK) for those
22 fees and costs

23 19 Authorizing Petitioners to pay £95,920 42 to Arnold & Porter (UK) on their
24 creditor's claim filed on November 16, 2009 for legal services rendered and costs advanced to
25 Michael Jackson prior to his death;

26 20 Allowing and approving compensation to the TMI Firm in the amount of
27 ¥28,360,907 (\$303,780 07) for extraordinary legal services for the period from October 15, 2009,
28 up to and including March 31, 2010, and reimbursement in the amount of ¥2,947,863

1 (\$31,575 22) for costs advanced, and authorizing Petitioners to pay a total of ¥31,308,770
2 (\$335,355 29) to the TMI Firm for those fees and costs,
3 21 Allowing and approving compensation to the Noerr Firm in the amount of
4 \$376,981 64 for extraordinary legal services rendered to the Estate for the period from
5 July 1, 2009, up to and including April 30, 2010, and reimbursement in the amount of \$29,776 16
6 for costs advanced, and authorizing Petitioners to pay a total of \$406,757 80 to the Noerr Firm
7 from the Estate for those fees and costs, and


8 22 Granting such other relief as the Court deems proper
9

10 Dated September 22, 2010

Respectfully submitted,

HOFFMAN, SABBAN & WATENMAKER
A Professional Corporation
Paul Gordon Hoffman, Esq.
Jeryll S. Cohen, Esq.

11
12
13
14
15 By


PAUL GORDON HOFFMAN *bs*
Attorneys for John Branca and John
McClain, Special Administrators of the
Estate of Michael Joseph Jackson



09/25/2010

EXHIBIT A

EXHIBIT A**CREDITORS' CLAIMS FILED AND DISPOSITION OF CLAIMS**

Notice of Administration given on 12/22/2009 and last day to file claim was 2/22/2010.

CREDITOR	DATE CLAIM FILED	AMOUNT OF CLAIM	DISPOSITION OF CLAIM
A4V Digital, Inc	10/29/09	736,502 59	Allowed in part - documentation pending
Abrams, Michael L	11/12/09	1,419 70	Allowed, paid in full
Allgood Entertainment, Inc and Allgood Concerts, LLC	2/11/10	300,000,000 00	Notice of Rejection served 4/9/2010 and filed 4/12/10 Relates to lawsuit filed by claimant, prior to Michael Jackson's death U S District Court in New York dismissed the claim against the Estate pursuant to order granting Estate's summary judgment motion
Arnold & Porter LLP	11/16/09	£103,179 10	Counsel for Personal Representatives - Subject to court approval
Atkins Thomson Solicitors	11/2/09	209,204 36	No action taken
Ayscough & Marar	8/14/09	31,757 79	Allowed, paid in full
Bone, William	10/9/09	Undetermined	No action taken
Bonner, Erle	4/22/10	1,109,000,503,600	Notice of Rejection will be served
Cannon & Company CPA's, LLP	10/22/09	56,582 00	
Crowe Horwath, LLP	2/18/10	38,495 00	Allowed, paid in full
Echols, Steven	9/22/09	261,169 00	Claimant filed lawsuit Settlement negotiations ongoing
Franchise Tax Board	3/24/10	1,647 24	
Gross, Elisa	2/22/10	3,178 83	Allowed and paid
Harris-Scott, Helen M	10/9/09	50,000,000 00	Notice of Rejection served 4/9/10 and filed 4/12/2010 Lawsuit filed by claimant prior to Michael Jackson's death - dismissed pursuant to order granting summary judgment motion filed by the Estate On appeal (Harris-Scott v MJJ SC089547)
Iglesias, Aner	12/7/09	234,000 00+	No action taken Claimant filed lawsuit
Irde, Avinash Bruno	2/8/10	8,300 00	Allowed, paid in full
Jackson, Malachu	8/25/09	unknown	Notice of Rejection served 4/9/10, and filed 4/12/10
Klein, MD, Arnold W	1 10/27/2009 2 2/19/2010	1 48,522 89 2 10,000 00	No action taken
Landis, John*	10/29/09	300,000 00+	Relates to lawsuit filed by claimant prior to Michael Jackson's death (Landis v Optimum, et al LASCW SC101514) Allowed in part, settlement negotiations ongoing
Lamer, Sidney	10/19/09	3,000,000 00	No action taken
LaPointe, Richard	10/14/09	5,000,000 00	Notice of Rejection served 4/9/10 and filed 4/12/2010 Claimant filed lawsuit
Levitsky Productions, Inc *	10/29/09	1,000,000 00	Relates to lawsuit filed by claimant prior to Michael Jackson's death (Levitsky Prod v Optimum Prod, LASCW SC101420) Settlement negotiations ongoing
Machine Management, LLC	1/22/10	285,000 00	Allowed in part, settled and paid
Mareque, Jose T	1/19/10	4,722 01	Allowed and paid
Mayer M&J, Inc dba Video & Audio Center	11/19/09	128,482 77	Allowed and paid

DISCLOSED

EXH A

EXHIBIT ACREDITORS CLAIMS FILED AND STATUS OF FILED CLAIMS

Notice of Administration given on 12/22/2009 and last day to file claim was 2/22/2010.

CREDITOR	DATE CLAIM FILED	AMOUNT OF CLAIM	DISPOSITION OF CLAIM
Mesereau & Yu, LLP	9/25/09	341,452 05	Allowed and paid
Mundell, Odlum & Haws, LLP	10/30/09	1,571,768 62	No action taken Settlement negotiations ongoing
Parrish, Lynda L	9/17/2009 1/25/2010	212,000 00	Allowed in part, settled, and documentation pending
Ray, Ola	8/21/09	to be determined	Lawsuit filed by claimant prior to Michael Jackson's death. (LASCW Case SC102953) Settlement negotiations ongoing
Research Video, Inc	1/13/10	55,032 16	No action taken
Rowe, Leonard	10/29/09	51,218 00	Allowed and paid in full
Smith, Jr , LaVelle	10/22/09 C11/12/09	144,500 00	No action taken
Stabler & Associates, Inc	10/7/2009 C1/20/2010	C275446 08	Allowed and settled
Stinky Films, Inc *	10/29/09	1,000,000 00+	No action taken Relates to lawsuit filed by claimant
Tohme Tohme	11/12/09	2,300,000 00+	Negotiations ongoing
Universal Music Publishing Group	1/26/10	3,000 00	No action taken

*The three Claimants marked by an asterisk are related claims.

Notice of Administration given on 1/20/2010 and last day to file claim was 3/21/2010.

CREDITOR	DATE CLAIM FILED	AMOUNT OF CLAIM	DISPOSITION OF CLAIM
Bain, Raymone	1 4/16/2010 2 3/22/2010	1 360,000 00 2 44,000,000+	Notice of Rejection served on 4/15/10 and filed 4/13/10 Relates to lawsuit filed by claimant prior to Michael Jackson's death which was dismissed and is currently on appeal
Chase, Kai (Kai Chase Incorporated)	2/18/10	8,000 00	Allowed in part, settled and paid
Venable LLP	3/8/2010	471,103 56	Counsel for personal representatives, subject to court approval

Notice of Administration given on 1/22/2010 and last day to file claim was 3/23/2010.

CREDITOR	DATE CLAIM FILED	AMOUNT OF CLAIM	DISPOSITION OF CLAIM
Bachus, Juergen	3/22/10	€ 5,000,000 00	Arbitration commenced and pending
Dewey & Leboeuf, LLP	3/18/10	1,502,873 70	No action taken
Nederlander Presentations, Inc	3/19/10	to be determined	Lawsuit filed by claimant on 6/17/2010, LASC Case No BP439936

3/23/2010

EXHIBIT A**CREDITORS CLAIMS FILED AND STATUS OF FILED CLAIMS**

Notice of Administration given on 2/2/2010 and last day to file claim was 4/3/2010.

CREDITOR	DATE CLAIM FILED	AMOUNT OF CLAIM	DISPOSITION OF CLAIM
Intermedia Productions Ltd *	4/1/10	1,000,000 00+	No action taken
Patel, Sharad Chandra*	4/1/10	1,000,000 00+	No action taken

*The two Claimants marked by an asterisk are related claims

Miscellaneous Filed Claims

CREDITOR	DATE CLAIM FILED	AMOUNT OF CLAIM	DISPOSITION OF CLAIM
Alexander, Van	2/23/10	70,000 00	No action taken
Boddicker, Michael	3/11/10	400,000 00+	No action taken
Buxer, Bradley	2/9/10	47,839 73	No action taken
Cross, Teresa	2/19/10	42,000 00	No action taken
Genesis Group International	6/22/10	4,580,000 00	No action taken
Jackson, Nona Paris Lola Anghesenamun	2/19/10	Unlimited	Notice of Rejection served 4/9/10 and filed 4/12/2010
Johnson, Craig A	1/22/10	374,403 24	No action taken
King, Adean Wells	2/22/10	180,000 00	No action taken
Kleinberg Lopez Lange Cuddy & Klein, LLP	2/18/10	628,713 00	No action taken
McMillan, Claire C & McCoy C McMillan	1/8/2010 1/15/10	\$0 to \$2,002,000	Notice of Rejection served 4/9/10 and filed 4/12/2010
Sheinberg, Jonathan	1/22/10	285,000 00	Allowed in part, settled and paid
Signal Hill Capital Group, LLC	12/30/09	328,299 03	Settled and paid
Vallejos, Jose Freddie	1 1/6/2010 2 2/2/2010	3300000 3 3M or acc to proof	Notice of Rejection served 4/9/10 and filed 4/12/2010 Lawsuit filed by claimant on 6/29/2010, not served (LASC Case No BC 440626)
Williams, Diane Simmons (CPA)	2/16/10	60,000 00	No action taken

03/23/2010

09/23/2010

EXHIBIT B

EXHIBIT B

CREDITORS GIVEN NOTICE OF ADMINISTRATION

1	A4V DIGITAL, INC	19	GREENBURG TRAURIG, LLP
2	ALLGOOD ENTERTAINMENT, INC ALLGOOD CONCERTS, LLC	20	JOHANNA ESCOBAR
3	ARNOLD & PORTER, LLP	21	JOSE T MAREQUEZ
4	ATKINS THOMPSON SOLICITORS	22	JOSEPH JACKSON
5	AVINASH BRUNO IRDE	23	SYL JOHNSON
6	CARLOS ESCOBAR	24	JACKSON FIVE BROTHERS
7	CROWE HORWATH, LLP	25	JACKSON BROTHERS
8	DEBBIE ROWE	26	LEONARD ROWE
9	BUSINESS LAW GROUP	27	PRINCE MICHAEL MALACHI JET JACKSON
10	DR SUSAN ESSIEN ETOK	28	LeVELLE SMITH, JR
11	ELISA GROSS	29	LYNDA L. PARRISH
12	ERLE BONNER	30	MACHINE MANAGEMENT
13	STINKY FILMS, INC	31	LAW OFFICES OF MICHAEL L ABRAMS
14	HELEN M HARRIS-SCOTT	32	LEVITSKY PRODUCTIONS, INC
15	HSBC BANK USA, NATIONAL ASSOCIATION	33	JOHN LANDIS
16	JANET JACKSON	34	DR TOHME TOHME
17	OLA RAY	35	ANER IGLESIAS
18	CANNON & COMPANY, LLP		

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EXHIBIT B

CREDITORS GIVEN NOTICE OF ADMINISTRATION

- | | | | |
|----|---|-----|---|
| 36 | PLAINFIELD GAMING II, INC
PLAINFIELD ASSET
MANAGEMENT LLC | 50. | UNIVERSAL MUSIC PUBLISHING
GROUP
(21st is a collection agency for
Universal) |
| 37 | RESEARCH VIDEO, INC | | |
| 38 | REV JUNE JULIET GATLIN | 51 | MAYER M&J, INC dba VIDEO &
AUDIO CENTER |
| 39 | ARNOLD W KLEIN, M D | 52 | ZIFFREN BRITTENHAM |
| 40 | RICHARD LaPOINT | 53 | COLONY CAPITAL, LLC |
| 41 | AYSCOUGH & MARAR | 54 | EVELYN (EVVY) J TAVASCI |
| 42 | SIDNEY LANIER | 55 | RAYMONE K BAIN |
| 43 | STABLER & ASSOCIATES, INC | 56 | VENABLE, LLP |
| 44 | UNITED STATES TREASURY
INTERNAL REVENUE SERVICE | 57 | KAI CHASE INCORPORATED |
| 45 | STATE OF CALIFORNIA,
FRANCHISE TAX BOARD | 58 | DAVIS, BAIN & ASSOCIATES,
INC |
| 46 | WILLIAM BONE | 59 | MANU DIBANGO |
| 47 | STEVEN ECHOLS DBA
SECURITY MEASURES | 60 | JUERGEN BACHUS |
| 48 | MESEREAU & YU, LLP | 61 | ROBERTO HERNANDEZ |
| 49 | MUNDELL, ODLUM & HAWS,
LLP | 62 | LONDELL L McMILLAN |
| | | 63 | DEWEY & LeBOEUF, LLP |
| | | 64 | CAPTREE ENTERTAINMENT,
LLC |

05-22-2010

EXHIBIT B

CREDITORS GIVEN NOTICE OF ADMINISTRATION

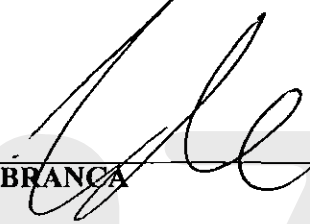
- 65 NEDERLANDER
PRESENTATIONS, INC
- 66 STEFAN MUNSTEDT
- 67 RH SMITH AND SONS LIMITED
- 68 SHEIK ABDULLA BIN HAMAD
ISA AL-KHALIFA
- 69 MICHAEL BUSH
- 70 SHARAD PATEL
- 71 SWAROVSKI UK LIMITED
- 72 BRADLEY BUXER
- 73 KLEINBERG LOPEZ LANGE
CUDDY & KLIEN, LLP
- 74 TERESA CROSS
- 75. ADEAN WELLS KING
- 76 DIANE SIMMONS WILLIAMS,
CPA
- 77 NONA PARIS LOLA
ANKHESENAMUN JACKSON
- 78 VAN ALEXANDER
- 79 LA VIE EN ROSE

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VERIFICATION

I, John Branca, a party in the above-entitled matter, declare that I have read the foregoing SPECIAL ADMINISTRATORS' REPORT RE MANAGEMENT OF THE MJJ BUSINESS, AND PETITION FOR ALLOWANCE OF EXTRAORDINARY COMPENSATION TO ATTORNEYS AND INSTRUCTIONS RE CREDITORS' CLAIMS and know its contents. It is true of my knowledge, except to those matters which are stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this document is executed on 21st Sept, 2010, at San Francisco, California



JOHN BRANCA

